

Foreign Direct Investment in California

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Summary of Recent Activity

NAICS vs. SIC

- Beginning with the revised 1998 figures and for the 1999 preliminary numbers, data by industry are based on industry classifications derived from the 1997 North American Industry Classification System (NAICS) as opposed to data from previous years which were based on the Standard Industrial Classification (SIC). As a result of this change, presentation of the data differs from that of previous years and some long-term correlations are affected.

Affiliate Book Value

- In 1999 foreign direct investment in California continued to increase to a new record high of \$115.6 billion, nearly \$10 billion over the previous year 1998 record. The increase in investment was primarily attributed to three European investors; the Netherlands with \$4.8 billion, United Kingdom with \$3.5 billion and France with \$1.2 billion.
- Though down below record 1996 levels, Japan remained the largest foreign investor country in 1999, with \$32.8 billion or 28 percent of all foreign investment in California. The Netherlands remained in second place with more than \$14.5 billion or 12.5%, placing the United Kingdom close behind in third place with \$13.3 billion and Germany in fourth with \$10.4 billion.
- The largest sectors in terms of affiliate book value were manufacturing, real estate, and other industries. Combined, these sectors accounted for 67.7% of all foreign investment in the state.

Top Foreign Investors, by Country			
Book Value and Employment, 1999			
Country	Book Value (\$ millions)	Country	Employment (thousands)
Japan	32,847	Japan	151.3
The Netherlands	18,533	United Kingdom	93.0
United Kingdom	13,298	Germany	67.1
Germany	10,467	Canada	63.7
Canada	9,385	Switzerland	53.8
France	7,209	France	47.0
Switzerland	4,264	The Netherlands	36.4
Australia	3,769	Bermuda	20.2
South Korea	2,228	Australia	12.5
Hong Kong	1,808	Sweden	12.5
Taiwan	1,379	Italy	8.4
Bermuda	1,307	Taiwan	8.1

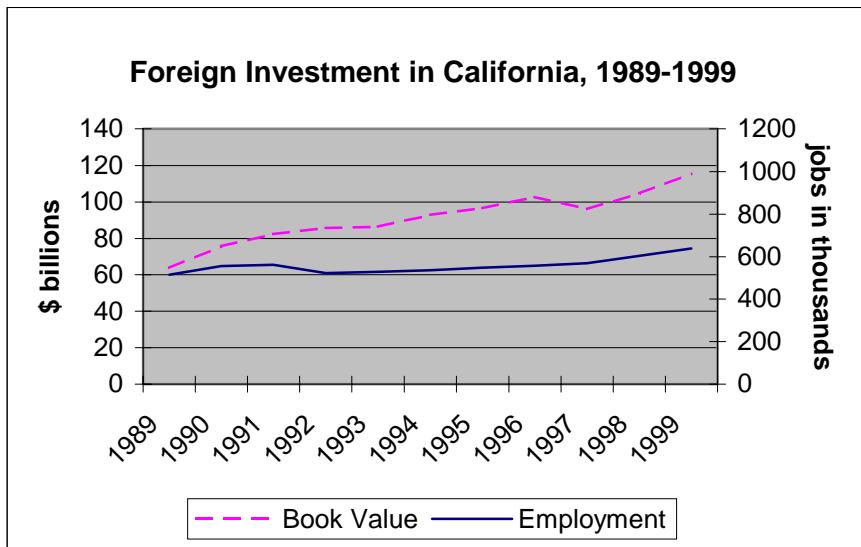
Affiliate Employment

- Foreign affiliate employment in California totaled 638,800 jobs in 1999, up more than 40,000 or 6.7% percent from 1998.
- Japanese affiliates provided the greatest number of jobs, employing 151,000 Californians, down 7,000 from 1998. Forty percent of these jobs were in manufacturing and nearly a half of those in computers and electronic products. Almost 30% of the jobs were in wholesale trade. The United Kingdom and Germany were the next largest employers with 41% of those jobs in manufacturing.
- By sector, most foreign investment jobs were in the manufacturing (35.1%), other industries (26%) and wholesale trade (14.6%) sectors. Computers and electronic product manufacturing, represented 10.5% of all foreign investment jobs in the state.

Employment of Foreign Affiliates		
Leading Sectors, 1999		
Sector	Employees (thousands)	Percent
Manufacturing	224.2	35.1%
Other Industries	166.0	26.0%
Wholesale Trade	93.1	14.6%
Information Technology/Media/Telecom	50.8	8.0%
Retail Trade	50.0	7.8%
Insurance & Finance	31.5	4.9%
Professional services	15.4	2.4%
Real Estate	7.8	1.2%
Total	638.8	100.0%

Foreign Investment Trends in California

Investment Climate



- Foreign investment in California is heavily influenced by the foreign exchange rates, and the economic conditions in the state and foreign investor countries. California's large market, strong economy, and leadership in high-technology industries have made the state an ideal investment destination. Over the last decade, foreign investment in California has nearly doubled from \$63.7 billion in 1989 to \$115.6 billion in 1999, with an average annual increase of 6.3%.
- By 1994, business conditions improved in Europe and most of the Asia-Pacific region, with the exception of Japan. The U.S. dollar continued to depreciate, making purchases of property, plant, and equipment more affordable. The ratification of NAFTA in January 1994 made California an even more attractive investment by providing foreign investors access to the entire North American market free of tariffs and import licenses. As a result, foreign investment in California increased by more than seven percent in 1994.
- Over the next two years, foreign investment grew at a modest rate of 5.1%, impacted by the state's largest investor country, Japan. The U.S. dollar continued to depreciate to an all-time low in the first quarter of 1995 before turning up against the Japanese yen and the German Mark. The global economy continued to grow, and the U.S. dollar strengthened against most major currencies. Increased foreign investment from most Asian-Pacific and European countries offset declines from North and South American investor countries, as foreign investment in the state grew at slightly below six percent in 1996.
- In 1997, the global economy was hit by the Asian financial crisis that eventually spread currency devaluations across Southeast Asia and Latin America. In addition, major investors in California from the Netherlands and Japan sold off significant holdings in the petroleum and wholesale industries, respectively. Consequently, foreign investment in the state actually dropped by more than 6 percent.
- Investment in 1998 and 1999 increased tremendously with 9 and 10 percent respectively, the highest percent of increases since 1990's mark of 19 percent. This dramatic comeback is due in large part to California's strong economy, which continues to attract and support dynamic foreign direct investment activities.

Investment by Industry

- Foreign investment in California has changed dramatically over the last ten years. The state economy has gone through a major transformation, shifting its economic base from traditional industries towards a more diverse economy with a leadership role in high technology. Foreign investment has mirrored this trend, as investors look to California for high returns and opportunities to enter high technology industries.
- In the 1980s, the majority of foreign investment was in real estate, manufacturing and petroleum industries. Real estate was seen as a safe and highly profitable investment with market forces driving prices up to record levels. Investment in manufacturing was diverse, reflecting the overall growth in the sector. Some of the leading manufacturing industries, in terms of foreign investment were industrial chemicals, machinery, transportation equipment, and stone, glass, and clay products. Petroleum investment was also significant, as the industry kept up with the demand of a growing economy.
- In the 1990s, the state's economic base shifted away from its traditional industries of heavy manufacturing, construction, and real estate and towards a more global economy, specializing in high technology and foreign trade. The majority of new investments during this time were in high technology industries of telecommunications, pharmaceuticals, computer software and electronic components, as well as wholesale trade.

Book Value of Foreign Investment Leading Sectors, 1999		
Sector	\$ millions	Percent
Manufacturing	37,621	32.5%
Real Estate	22,768	19.7%
Other Industries	17,978	15.5%
Wholesale Trade	14,689	12.7%
Information Technology/Media/Telecom	11,639	10.1%
Insurance & Finance	6,821	5.9%
Retail Trade	2,965	2.6%
Professional services	1,149	1.0%
Total	115,630	100.0%

Telecommunications

- Foreign investment in telecommunications grew the fastest in the 1990s. Investors were drawn to this industry not only for the large telecommunications market in California, but also its companies and research facilities - leaders in utilizing the newest communications technologies. These firms and institutions provided the opportunity to gain instant entry into the industry and suppliers, while acquiring technology and expertise. As a result, foreign investment in communications services grew more than 290 percent from 1990 to 1999.

Pharmaceuticals

- Investment in the pharmaceutical industry has been growing steadily since the 1980s. A maturing population, improving standards of living in foreign countries, and advances in biotechnology have given the industry a bright future. The U.S. pharmaceuticals industry is composed of several small companies seen by foreign investors as prime acquisitions, providing instant access to the market

and suppliers. Over the past decade, 1990-1999, pharmaceutical investments have increased by an average annual rate of nearly 20 percent. These investments increased 23 percent from 1998-1999.

Other manufacturing industries

- Other manufacturing and service industries receiving considerable amounts of foreign investment during the 1990s include textile and apparel, printing and paper products, transportation equipment, and processing of iron. Transportation equipment in particular saw 18 percent increase over 1998, specifically in motor vehicles, bodies and trailers and parts.

Real Estate Sector

- California has always been a prime location for foreign investment in real estate. Gradually making a comeback from the drop in 1995, real estate investments increased by an average annual rate of five percent over the decade, 1989-1999.

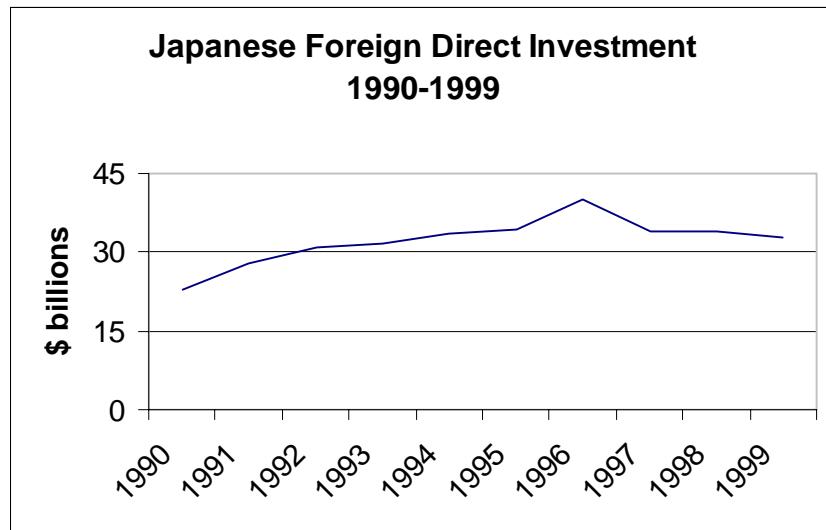
Wholesale Trade Sector

- The wholesale trade sector, highly influenced by foreign trade, has thrived in the state. Typically wholesale trade has benefited immensely from the worldwide demand for California goods and the appeal of the state's large and diverse marketplace. In particular, investments in businesses shipping motor vehicles, professional and commercial equipment, and electrical goods more than doubled from 1990-1996. However, more recent trends show wholesale trade decreasing from a high of \$23 billion in 1996 to \$14.7 billion in 1999, attributable in part to a sell-off by Japanese investors.

Investment by Country

- Nearly one half of all foreign investment in California was held by only two countries in 1999: Japan with 28.5% and the Netherlands with 16 percent. The United Kingdom and Germany trailed with 11.5 and 9% respectively.

Japan



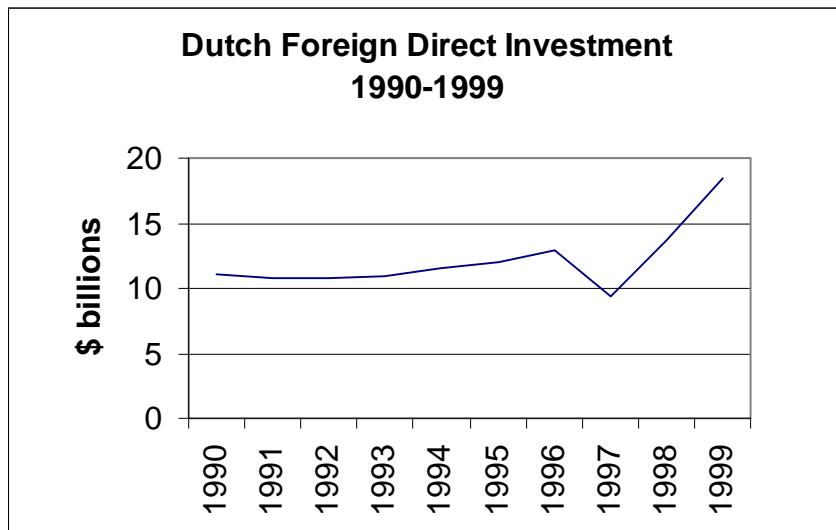
- Japan has been the largest foreign investor country in California since the mid-1980s. Japanese investments have grown from \$17 billion in 1989 to \$32.8 billion in 1999. These investments are

highly concentrated in manufacturing, real estate and wholesale trade, where they hold 27.6%, 32% and 63% of all foreign investment in these sectors. Industries of concentration include motor vehicles, parts and supplies; computers and electronic products; and accommodation and food service.

- During the 1990s, Japanese investors significantly increased their holdings in both wholesale trade and real estate. However, the collapse of real estate prices from the California recession and a stagnant Japanese economy caused parent companies and investors to begin divesting their holdings in the state. As a result, Japanese investors began selling off real estate holdings and decreased total holdings in real estate by more than \$2 billion in 1996. This was followed by a large sell-off of wholesale trade holdings in 1997. However, after a 20 percent decline in 1998, 1999 brought an increase of wholesale trade to \$9.3 billion. Real estate continued to decline in 1999, amounting to \$7.2 billion.

The Netherlands

- The Netherlands was the second largest investor country in 1999 with \$18.5 billion in assets, up 35% over 1998. One-third of 1999 investments are in manufacturing.



The United Kingdom and Germany

- The United Kingdom and Germany fell behind the Netherlands as the third and fourth largest investor countries with \$13.3 and \$10.5 billion in assets respectively. The United Kingdom's investments were up 36% over 1998. Thirty percent of the investments from the United Kingdom were in manufacturing, with 20% in other industries and 18% in real estate.
- Germany replaced Canada as the fourth largest investor for only the second time in the last decade. Germany's assets reached nearly \$10.5 billion, 9% of all investment in California. Over half of those investments were in the manufacturing sector. Twenty one percent was in wholesale trade, with 11% in real estate, and 10% in chemicals. Real estate and other industries represent 49% and 23% increases respectively over the previous year's investments.

**Table 1. Affiliate Gross Book Value of Property, Plant, and Equipment
In California, by Country of UBO, 1989 -1999 (\$ millions)**

Country	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998r	1999p
All countries	63,706	75,768	82,334	85,661	86,462	92,919	96,576	102,703	96,083	104,758	115,630
Canada	9,563	8,954	8,972	6,915	7,698	8,425	9,820	7,019	8,506	9,809	9,385
Europe	28,483	34,123	35,443	36,574	35,674	38,112	40,258	41,958	39,701	45,507	57,406
Austria	(D)	167	176	141	130	64	56	10	3	2	14
Belgium	100	74	259	257	271	(D)	(D)	300	230	69	166
Denmark	188	217	269	311	334	350	303	268	192	81	166
Finland	8	37	46	77	81	79	74	92	100	150	117
France	1,858	2,924	3,446	4,201	4,277	4,789	4,781	5,870	5,231	6,046	7,209
Germany	2,931	4,020	4,085	5,193	5,430	6,347	6,813	7,394	8,088	9,043	10,467
Ireland	262	520	609	666	675	622	644	467	499	616	662
Italy	287	332	297	273	314	309	318	272	275	465	598
Liechtenstein	176	169	110	178	182	120	121	127	107	108	110
Luxembourg	120	215	210	196	191	254	267	253	297	300	294
Netherlands	10,767	11,083	10,842	10,842	10,877	11,478	11,932	12,905	9,400	13,713	18,533
Norway	117	(D)	(D)	(D)	107	(D)	(D)	107	128	162	221
Spain	54	55	79	104	107	120	114	118	(D)	138	135
Sweden	558	830	1,080	1,056	957	504	543	616	740	836	996
Switzerland	1,283	1,835	2,011	2,435	2,297	2,874	3,464	3,197	3,380	3,846	4,264
United Kingdom	9,476	11,437	11,590	10,434	9,332	9,734	10,357	9,781	10,763	9,783	13,298
Other	(D)	(D)	(D)	(D)	111	D)	166	180	(D)	148	154
Latin America/Other West Hemisphere	1,865	2,214	2,168	2,662	2,755	2,793	2,145	2,195	2,450	2,568	3,032
South and Central America	1,071	1,247	1,306	1,686	1,766	1,835	1,161	1,197	1,057	1,125	1,129
Brazil	17	(D)	(D)	(D)	236	(D)	(D)	(D)	(D)	(D)	(D)
Mexico	236	303	353	695	752	628	640	676	528	(D)	(D)
Panama	757	658	653	(D)	(D)	(D)	405	93	(D)	77	61
Venezuela	28	31	33	13	24	31	8	8	2	2	3
Other	34	(D)	(D)	55	(D)	54	(D)	(D)	21	22	22
Other Western Hemisphere	794	968	862	977	988	958	984	998	1,393	1,443	1,903
Bahamas	351	111	112	(D)	69	33	45	34	10	13	11
Bermuda	305	351	328	440	456	469	534	579	621	669	1,037
Netherlands Antilles	311	306	319	236	239	206	194	179	207	207	177
U. K. Islands, Caribbean	61	182	85	197	200	238	198	193	553	552	675
Other	9	17	18	(D)	24	13	13	13	2	2	2
Middle East	1,909	1,997	2,172	2,197	2,355	2,462	2,228	2,384	1,798	1,305	1,234
Israel	1	4	4	8	53	47	58	80	155	162	159
Kuwait	1,252	1,271	1,373	1,419	1,509	1,326	1,052	1,041	594	237	158
Lebanon	19	21	21	22	21	26	26	27	25	23	24
Saudi Arabia	275	306	359	365	359	634	737	664	463	472	469
United Arab Emirates	302	332	350	(D)	(D)	280	261	(D)	(D)	(D)	(D)
Other	60	64	65	(D)	(D)	149	93	(D)	(D)	(D)	(D)
Japan	17,054	23,060	27,688	30,962	31,762	33,649	34,400	39,974	34,090	34,015	32,847
Australia, New Zealand, S. Africa	1,262	1,395	1,387	1,306	1,229	1,496	1,546	1,887	2,105	3,841	3,834
Other Africa, Asia, Pacific											
Africa, except South Africa	231	236	273	108	104	n.a.	49	43	22	133	154
China	n.a.	n.a.	n.a.	93	107	131	144	50	56	74	83
Hong Kong	1,111	1,412	1,649	1,824	1,679	2,071	2,150	2,213	1,916	1,818	1,808
Indonesia	n.a.	89	82	87							
South Korea	1,005	1,020	1,073	1,275	1,322	1,485	1,615	2,024	2,112	2,179	2,228
Malaysia	29	30	48	165	177	195	199	305	299	323	299
Philippines	192	190	207	177	186	181	165	112	76	81	83
Singapore	222	229	282	400	416	541	392	758	739	717	717
Taiwan	208	466	487	579	547	713	803	880	1,308	1,290	1,379
Other Asia, Pacific	n.a.	306	350	357							
United States	314	161	136	181	180	210	174	350	510	697	726

p: preliminary data; r: revised data; n.a.: not available; D: suppressed to avoid disclosure of data of individual companies. * less than \$500,000.

**Table 2. Affiliate Gross Book Value of Property, Plant & Equipment in California,
All Countries, by NAICS-Based Industry of Affiliate, 1998-1999 (\$ millions)**

Industry	1998r	1999p
All industries	104,758	115,630
Manufacturing	34,790	37,621
Food	1,936	1,794
Beverages and tobacco products	935	939
Textiles, apparel and leather goods	172	150
Wood products	30	33
Paper	687	715
Printing and related support activities	229	246
Petroleum and coal products	(D)	(D)
Chemicals	5,418	6,184
Basic chemicals	1,453	1,408
Resins, synthetic rubber, fibers and filaments	192	393
Pharmaceuticals and medicines	2,570	3,157
Soap, cleaning compounds and toilet preparations	876	939
Other	327	287
Plastics and rubber products	530	541
Nonmetallic mineral products	2,776	3,129
Primary and fabricated metals	1,967	2,078
Primary metals	1,498	1,540
Fabricated metal products	469	539
Machinery	804	1,382
Agricultural, construction and mining machinery	145	231
Industrial machinery	49	80
Other	611	1,071
Computers and electronic products	7,640	8,110
Computer and peripheral equipment	1,248	861
Communications equipment	1,760	2,187
Audio and video equipment	(D)	(D)
Semiconductors, other electronic components	1,113	1,717
Navigational, measuring, other instruments	961	644
Magnetic and optical media	(D)	(D)
Electrical equipment, appliances, components	803	890
Transportation equipment	4,212	5,007
Motor vehicles, bodies and trailers, and parts	4,089	4,663
Other	123	344
Furniture and related products	65	67
Miscellaneous manufacturing	(D)	(D)
Wholesale trade	14,150	14,689
Motor vehicles, parts and supplies	7,494	7,569
Professional & commercial equipment	1,617	1,724
Electrical goods	1,662	2,014
Other durable goods	1,217	989
Petroleum and petroleum products	75	40
Other non-durable goods	2,086	2,352

**Table 2 (cont.) Affiliate Gross Book Value of Property, Plant & Equipment in California,
All Countries, by NAICS-Based Industry of Affiliate, 1998-1999 (\$ millions)**

Industry	1998r	1999p
Retail trade	2,709	2,965
Food and beverage stores	(D)	(D)
Other	(D)	(D)
Information	7,702	11,639
Publishing industries	1,047	865
Motion picture and sound recording industries	2,344	2,525
Broadcasting and telecommunications	4,088	7,989
Broadcasting, cable networks, program distribution	1,097	(D)
Telecommunications	2,990	(D)
Information services and data processing services	224	260
Finance, (except depository institutions) and insurance	2,531	6,821
Finance, except depository institutions	588	862
Insurance carriers and related activities	1,943	5,960
Real estate and rental and leasing	24,604	22,768
Real estate	24,117	22,258
Rental and leasing (except real estate)	487	510
Professional, scientific and technical services	976	1,149
Architectural, engineering and related services	39	47
Computer systems design and related services	599	646
Management, scientific and technical consulting	9	11
Other	329	445
Other industries	17,296	17,978
Agriculture, forestry, fishing and hunting	563	651
Mining	(D)	5,856
Utilities	1,298	1,366
Construction	1,260	1,270
Transportation and warehousing	1,555	1,839
Management of companies and enterprises	47	33
Administration, support and waste management	865	827
Health care and social assistance	254	249
Accommodation and food service	4,878	4,813
Accommodation	4,616	4,442
Food services and drinking places	262	371
Miscellaneous services	(D)	1,074

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* less than \$500,000.

**Table 3. Affiliate Gross Book Value of Property, Plant & Equipment in California,
by NAICS-Based Industry of Affiliate by Country of UBO, 1999 (\$ millions)**

NAICS-Based Industry	All countries	Canada	Europe						Latin America and Other Western Hemisphere	Africa	Middle East	Asia and Pacific					
			Of which									Total	Of which				
													Australia	Japan			
All industries	115,630	9,385	57,406	7,209	10,467	18,533	4,264	13,298	3,032	154	1,234	43,693	3,769	32,847			
Manufacturing	37,621	1,225	22,401	2,183	5,240	6,622	2,838	3,967	1,249	7	41	12,620	497	10,381			
Food	1,794	112	860	93	0	24	(D)	245	149	0	4	666	(D)	542			
Beverages and tobacco products	939	(D)	696	243	62	0	113	(D)	1	0	0	183	0	165			
Textiles, apparel and leather goods	150	9	34	5	20	(*)	0	7	(*)	0	2	104	(*)	94			
Wood products	33	16	12	5	0	(*)	5	(*)	(*)	0	0	(*)	0	(*)			
Paper	715	(D)	547	0	(*)	(D)	0	2	2	0	0	(D)	(D)	6			
Printing and related support activities	246	188	37	0	(*)	0	0	37	(*)	0	0	21	0	11			
Petroleum and coal products	(D)	2	(D)	1	3	(D)	0	(D)	(D)	0	0	2	0	0			
Chemicals	6,184	(D)	4,996	470	1,194	418	2,134	627	(*)	1	(*)	989	(*)	728			
Basic chemicals	1,408	(*)	(D)	402	117	(D)	(D)	(D)	(*)	0	(*)	(D)	(*)	32			
Resins, synthetic rubber, fibers and filaments	393	0	(D)	(D)	0	0	(D)	(D)	0	0	0	(D)	0	(D)			
Pharmaceuticals and medicines	3,157	(*)	2,750	(D)	(D)	(D)	(D)	(D)	0	0	0	407	0	407			
Soap, cleaners, toilet preparations	939	(D)	743	4	(D)	(D)	0	1	(*)	0	0	4	0	4			
Other	287	5	223	1	8	0	(D)	149	(*)	1	0	58	0	(D)			
Plastics and rubber products	541	21	363	62	27	(*)	1	92	12	0	0	144	(D)	136			
Nonmetallic mineral products	3,129	2	(D)	(D)	(D)	0	(D)	(D)	(D)	(*)	1	973	187	785			
Primary, fabricated metals	2,078	(D)	522	(D)	112	(*)	3	174	(D)	0	1	953	11	233			
Primary metals	1,540	(D)	56	10	(D)	(*)	1	2	(D)	0	1	911	11	197			
Fabricated metal products	539	31	466	(D)	(D)	0	1	171	(*)	0	0	42	0	37			
Machinery	1,382	(D)	1,103	(D)	66	7	(D)	463	1	0	(D)	257	18	224			
Agricultural, construction and mining machinery	231	1	174	(D)	1	0	11	(D)	(*)	0	0	57	0	57			
Industrial machinery	80	1	4	0	1	2	(*)	(*)	1	0	0	74	0	71			
Other	1,071	(D)	926	(D)	64	5	(D)	(D)	(*)	0	(D)	126	18	96			
Computers and electronic products	8,110	(D)	1,663	70	(D)	(D)	11	457	8	6	(D)	5,909	(*)	5,286			
Computer and peripheral equipment	861	(D)	47	13	1	9	2	18	(*)	0	(D)	798	(*)	511			
Communications equipment	2,187	(D)	210	49	0	5	2	81	5	0	(D)	1,545	0	1,545			
Audio and video equipment	(D)	5	14	8	0	0	0	6	2	0	(D)	5	0	(D)			
Semiconductors, other electronic components	1,717	14	0	(*)	(D)	(D)	2	(D)	1	6	0	(D)	(*)	566			
Navigational, measuring, other instruments	644	(*)	520	0	(D)	1	4	247	0	0	0	123	0	120			
Magnetic and optical media	(D)	(D)	(D)	0	0	0	0	(D)	0	0	0	(D)	0	(D)			
Electrical equipment, appliances, components	890	1	736	16	501	1	(D)	(D)	(*)	0	0	153	(D)	70			
Transportation equipment	5,007	22	(D)	(D)	(D)	0	2	509	6	0	1	(D)	1	1,963			
Motor vehicles, bodies and trailers, and parts	4,663	(*)	(D)	1	(D)	0	0	(D)	2	0	1	(D)	0	1,962			
Other	344	22	314	(D)	2	0	2	(D)	3	0	0	22	1	2			
Furniture and related products	67	(*)	(D)	0	(D)	(D)	(*)	0	0	0	0	(D)	0	(D)			
Miscellaneous manufacturing	(D)	5	(D)	8	304	(*)	6	30	(D)	0	2	111	0	(D)			

**Table 3 (cont.) Affiliate Gross Book Value of Property, Plant & Equipment in California,
by NAICS-Based Industry of Affiliate by Country of UBO, 1999 (\$ millions)**

NAICS-Based Industry	All Countries	Canada	Europe					Latin America and Other Western Hemisphere	Africa	Middle East	Asia and Pacific					
			Total Of which								Total	Of which				
			France	Germany	Nether- Lands	Switz- erland	United Kingdom				Australia	Japan				
Wholesale trade	14,689	296	3,808	409	2,162	214	315	400	128	(D)	(D)	10,412	(D) 9,309			
Motor vehicles, parts and supplies	7,569	5	(D)	0	(D)	10	0	0	1	(*)	0	(D)	(*) 5,555			
Professional & commercial equipment	1,724	(D)	(D)	0	82	(D)	(D)	(D)	(*)	0	0	1,522	0 1,121			
Electrical goods	2,014	21	93	(D)	(*)	1	9	4	(*)	0	0	1,899	0 1,658			
Other durable goods	989	45	335	41	48	12	56	118	19	(D)	1	563	2 462			
Petroleum and petroleum products	40	4	(D)	(*)	0	0	0	1	1	0	0	(D)	0 (D)			
Other non-durable goods	2,352	(D)	1,443	(D)	(D)	(D)	(D)	(D)	107	0	(D)	(D)	(D) (D)			
Retail trade	2,965	234	1,732	90	(D)	199	2	71	(D)	0	0	(D)	4 797			
Food and beverage stores	(D)	(*)	(D)	0	(D)	0	0	(D)	2	0	0	(D)	0 (D)			
Other	(D)	234	(D)	90	36	199	2	(D)	(D)	0	0	(D)	4 (D)			
Information	11,639	2,746	6,758	(D)	36	185	(D)	3,545	(D)	1	(D)	(D)	(D) 280			
Publishing industries	865	(D)	579	3	33	95	(D)	415	(*)	1	(D)	104	(*) 84			
Motion picture and sound recording industries	2,525	(D)	471	(*)	1	90	0	(D)	0	0	(D)	93	0 (D)			
Broadcasting and telecommunications	7,989	(D)	(D)	(D)	2	0	1	(D)	(D)	0	1	(D)	(D) 12			
Broadcasting, cable networks, program distribution	(D)	(D)	0	0	0	0	0	(D)	0	0	(D)	(D)	0			
Telecommunications	(D)	(D)	(D)	(D)	2	0	1	(D)	(D)	0	1	17	0 12			
Information services, data processing services	260	0	(D)	0	0	0	0	147	0	0	0	(D)	0 (D)			
Finance, (except depository institutions) and insurance	6,821	386	5,391	(D)	(D)	(D)	(D)	83	(D)	0	(*)	705	(D) 661			
Finance, except depository institutions	862	12	178	4	55	6	(D)	26	1	0	(*)	671	(D) (D)			
Insurance carriers and related activities	5,960	374	5,213	(D)	(D)	(D)	(D)	57	(D)	0	0	34	(D) (D)			
Real estate and rental and leasing	22,768	2,493	7,529	447	1,191	(D)	88	2,386	718	29	941	11,013	(D) 7,211			
Real estate	22,258	2,475	7,087	390	(D)	(D)	88	2,134	717	28	941	10,965	(D) 7,718			
Rental and leasing (except real estate)	510	18	442	57	(D)	0	0	252	(*)	1	0	48	(D) 33			
Professional, scientific and technical services	1,149	23	421	29	(D)	22	72	138	12	(*)	5	686	(*) 612			
Architectural, engineering and related services	47	8	30	7	1	7	0	11	(*)	0	0	8	0 8			
Computer systems design and related services	646	10	121	6	(D)	12	0	4	(*)	0	0	513	(*) 446			
Management, scientific and technical consulting	11	0	3	1	1	0	0	(*)	5	(*)	(*)	3	0 2			
Other	445	5	266	14	1	3	72	122	7	0	5	162	0 156			
Other industries	17,978	1,983	9,366	753	361	(D)	(D)	2,709	(D)	(D)	216	5,771	132 3,597			
Agriculture, forestry, fishing and hunting	651	28	447	62	95	(D)	63	32	119	0	9	49	(*) 44			
Mining	5,856	276	(D)	2	0	(D)	4	(D)	(D)	0	0	131	128 3			
Utilities	1,366	136	1,196	(D)	(*)	(D)	0	919	0	0	(*)	33	0 33			
Construction	1,270	(D)	666	68	33	14	2	539	(D)	0	10	489	(*) 477			
Transportation and warehousing	1,839	(D)	382	4	27	29	(D)	307	49	(D)	5	936	3 617			
Management of companies and enterprises	33	0	(D)	0	0	0	0	(D)	0	0	23	0 9				
Administration, support and waste management	827	560	177	(D)	5	6	65	55	7	0	0	84	0 82			
Health care and social assistance	249	1	(D)	0	164	0	(D)	0	(D)	0	0	(*)	0 (*)			
Accommodation and food service	4,813	77	(D)	471	37	(D)	(D)	116	(D)	(*)	192	3,478	(*) 1,788			
Accommodation	4,442	(D)	591	(D)	(D)	(D)	(*)	(D)	(D)	(*)	192	3,388	0 1,699			
Food services and drinking places	371	(D)	(D)	(D)	(D)	(D)	(D)	(D)	1	0	0	90	(*) 89			
Miscellaneous services	1,074	461	49	4	0	3	3	(D)	14	0	0	550	(*) 544			

p: preliminary data; r: revised data; n.a.: not available; D: suppressed to avoid disclosure of data of individual companies; * less than \$500,000.

Table 4. Affiliate Employment, by State (Thousands of Employees), 1999

	Total Employment	Percent	Manufacturing Employment	Percent
TOTAL	6,003.0	100.0	2,252.1	100.0
California	638.8	10.6	199.3	8.8
New York	410.2	6.8	76.0	3.4
Texas	410.2	6.8	149.2	6.6
Florida	286.0	4.8	48.5	2.3
Illinois	283.5	4.7	111.6	5.0
Pennsylvania	261.5	4.4	121.1	5.4
Ohio	260.1	4.4	140.8	6.3
North Carolina	258.8	4.3	122.6	5.4
Michigan	246.1	4.1	126.6	5.6
New Jersey	245.1	4.1	68.5	3.0
Georgia	216.0	3.6	83.0	3.7
Massachusetts	194.1	3.2	53.2	2.7
Virginia	170.5	2.8	50.9	2.3
Indiana	165.1	2.8	112.0	5.0
Tennessee	151.8	2.5	81.0	3.6
South Carolina	136.0	2.3	72.4	3.2
Connecticut	103.4	1.7	32.0	1.4
Missouri	100.5	1.7	48.8	2.2
Wisconsin	100.4	1.7	56.5	2.5
Maryland	98.7	1.6	19.8	0.9
Kentucky	97.7	1.6	69.6	3.0
Washington	96.7	1.6	28.0	1.2
Minnesota	91.8	1.5	33.9	1.5
Colorado	91.4	1.5	18.4	0.8
Alabama	78.3	1.3	47.7	2.1
Arizona	70.8	1.2	16.6	0.7
Louisiana	63.1	1.1	24.1	1.0
Oregon	58.3	1.0	20.4	0.9
Kansas	55.1	1.0	19.4	0.9
Hawaii	44.4	0.7	1.4	0.1
Oklahoma	43.9	0.7	15.7	0.7
Iowa	40.1	0.6	23.6	0.9
Arkansas	37.8	0.6	26.2	1.1
New Hampshire	36.1	0.6	17.4	0.8
Utah	35.0	0.6	10.3	0.5
Nevada	32.7	0.5	5.2	0.2
Maine	32.6	0.5	11.7	0.5
Delaware	28.3	0.5	7.9	0.4
West Virginia	27.8	0.4	13.6	0.6
Mississippi	25.6	0.4	13.8	0.6
Nebraska	25.3	0.4	10.9	0.5
Rhode Island	21.6	0.3	6.5	0.3
Idaho	18.4	0.3	4.9	0.2
New Mexico	16.4	0.3	2.9	0.2
District of Columbia	15.3	0.3	0.5	0.1
Montana	13.7	0.2	2.7	0.2
Vermont	11.9	0.2	3.7	0.2
Alaska	10.5	0.2	1.6	0.1
North Dakota	7.7	0.1	3.2	0.2
Wyoming	6.7	0.1	1.1	0.1
South Dakota	6.5	0.1	3.9	0.2

Table 5. Affiliate Employment in California, by Country, 1989-1999

Country	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998r	1999p
All countries	514,900	555,900	561,100	522,700	529,100	536,400	548,600	557,500	569,600	598,700	638,800
Canada	63,800	63,600	63,200	35,700	50,400	52,700	71,800	54,700	63,200	67,600	63,700
Europe	265,600	290,200	280,200	269,900	267,600	270,600	265,500	273,000	276,400	289,500	336,300
Austria	2,200	1,300	1,200	1,100	1,000	600	500	200	100	(*)	100
Belgium	1,100	400	1,100	1,200	1,200	G	1,000	1,600	G	900	800
Denmark	6,500	(D)	4,500	4,100	8,700	I	7,500	7,500	1,500	1,000	1,400
Finland	700	1,600	1,300	1,700	1,700	1,600	1,400	1,500	2,000	2,600	2,600
France	23,000	28,700	29,000	30,100	35,600	37,700	31,100	37,100	33,200	43,900	47,000
Germany	30,000	46,100	47,000	48,300	50,700	50,200	51,300	54,100	60,400	62,800	67,100
Ireland	2,400	3,800	3,600	3,900	3,200	3,500	3,800	4,900	5,000	6,200	6,100
Italy	(D)	7,100	4,100	3,300	3,800	3,200	5,000	4,700	3,700	5,500	8,400
Liechtenstein	900	300	300	300	200	(*)	200	200	100	100	200
Luxembourg	4,400	4,400	4,400	5,300	5,400	5,700	3,900	4,000	3,400	3,100	900
Netherlands	29,800	30,500	25,700	27,000	23,900	24,600	23,900	26,100	24,000	27,700	36,400
Norway	400	300	200	300	300	(*)	300	600	1,500	4,500	4,300
Spain	(D)	(D)	(D)	(D)	1,900	2,000	1,700	G	G	1,500	1,600
Sweden	8,400	14,400	15,200	13,000	7,700	4,200	3,800	H	6,100	6,300	12,500
Switzerland	31,100	26,400	27,200	30,100	22,100	33,500	40,700	38,400	44,100	46,100	53,800
United Kingdom	116,600	112,500	112,900	98,200	100,100	93,100	89,400	86,100	87,700	76,900	93,000
Other	(*)	(*)	(D)	(*)	100	(*)	100	100	(*)	100	100
Latin America/Other West Hemisphere	32,700	17,700	17,500	17,700	18,600	20,900	16,700	17,700	24,600	26,500	32,500
South and Central America	26,500	10,600	11,500	12,400	12,900	13,200	9,100	9,800	8,400	8,700	8,600
Argentina	n.a.										
Brazil	200	(D)	(D)	1,200	1,200	1,500	1,600	1,700	1,800	1,900	G
Mexico	(D)	3,700	4,700	5,400	5,900	6,500	6,300	7,800	6,000	6,500	I
Panama	(D)	4,700	(D)	(D)	(D)	H	300	100	400	200	200
Venezuela	300	300	200	200	500	(*)	(*)	(*)	(*)	(*)	(*)
Other	700	(D)	800	(D)	(D)	G	900	(*)	100	100	100
Other Western Hemisphere	6,300	7,100	6,100	5,300	5,700	7,700	7,600	7,900	16,200	17,800	23,900
Bahamas	200	100	100	200	200	(*)	300	300	400	A	300
Bermuda	3,400	4,200	3,300	3,100	3,200	4,700	4,800	5,400	11,300	14,200	20,200
Netherlands Antilles	2,100	2,000	1,900	1,000	1,300	1,100	1,100	1,200	G	G	500
U. K. Islands, Caribbean	600	900	800	900	900	1,400	1,300	900	H	2,000	2,800
Other	0	0	0	(*)	100	(*)	100	100	100	100	100
Middle East	2,600	1,100	1,100	1,400	1,500	5,500	4,000	6,600	6,200	4,600	3,500
Israel	200	200	200	300	600	900	1,100	1,100	1,100	1,100	1,000
Kuwait	(D)	700	500	700	600	500	400	300	300	100	100
Lebanon	0	(*)	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Saudi Arabia	200	100	200	200	200	G	2,200	260	1,900	2,200	1,700
United Arab Emirates	(*)	(*)	100	(*)	(*)	(*)	(*)	(*)	(*)	600	400
Other	(D)	(*)	(*)	100	100	G	300	250	2,700	600	300
Japan	109,400	134,300	152,400	146,400	143,500	142,900	143,500	155,900	153,600	158,700	151,300
Australia, New Zealand, S. Africa	24,300	26,100	21,700	20,000	20,300	14,500	15,300	16,200	14,600	14,000	14,300
Other Africa, Asia, and Pacific											
Africa, excluding South Africa	300	300	100	(*)	(*)	(*)	(*)	(*)	(*)	1,300	1,400
China	n.a.	n.a.	n.a.	400	400	500	600	500	400	700	600
Hong Kong	4,900	7,700	9,500	10,500	7,500	8,800	8,800	9,900	6,400	6,600	5,400
Indonesia	n.a.	800	500	500							
South Korea	3,000	3,300	3,400	4,300	5,200	6,000	6,600	7,500	7,300	7,600	7,700
Malaysia	100	100	200	200	500	700	700	1,000	800	700	500
Philippines	(D)	(D)	1,900	(D)	2,500	2,200	2,200	400	500	500	500
Singapore	700	1,100	1,100	1,200	1,300	2,300	2,300	2,500	2,200	2,900	3,000
Taiwan	1,000	3,900	3,600	3,600	3,600	4,100	3,900	4,400	7,300	7,800	8,100
Other	n.a.	1,600	1,800	1,800							
United States	4,000	3,700	3,300	7,100	4,800	3,000	4,100	3,800	3,600	8,200	8,600

p: Preliminary data; r: Revised data; n.a.: Not available; D: Suppressed to avoid disclosure of data of individual companies.
 Employment size ranges for suppressed data: A--1 to 499; F--500 to 999; G--1,000 to 2,499; * Fewer than 50 employees.

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**Table 6. Affiliate Employment in California,
All Countries by NAICS-Based Industry of Affiliate,
1998 - 1999 (number of employees)**

Industry	1998r	1999p
All industries	598,700	638,800
Manufacturing	216,100	224,200
Food	19,800	18,700
Beverages and tobacco products	4,000	4,900
Textiles, apparel and leather goods	3,000	2,400
Wood products	700	700
Paper	6,700	6,500
Printing and related support activities	2,300	2,200
Petroleum and coal products	G	2,600
Chemicals	30,800	33,300
Basic chemicals	3,800	4,400
Resins, synthetic rubber, fibers and filaments	1,900	2,000
Pharmaceuticals and medicines	16,200	17,400
Soap, cleaning compounds, toilet preparations	5,500	6,300
Other	3,400	3,200
Plastics and rubber products	5,200	5,200
Nonmetallic mineral products	11,000	11,700
Primary and fabricated metals	11,500	12,800
Primary metals	5,600	4,800
Fabricated metal products	5,900	7,900
Machinery	11,200	17,100
Agricultural, construction and mining machinery	1,800	1,800
Industrial machinery	600	700
Other	8,800	14,600
Computers and electronic products	63,700	59,500
Computer and peripheral equipment	13,900	7,600
Communications equipment	15,000	19,600
Audio and video equipment	J	J
Semiconductors, other electronic components	11,300	12,000
Navigational, measuring, other instruments	7,800	7,200
Magnetic and optical media	H	G
Electrical equipment, appliances, components	11,500	9,900
Transportation equipment	16,800	19,200
Motor vehicles, bodies and trailers, and parts	13,500	14,200
Other	3,400	5,000
Furniture and related products	2,200	1,800
Miscellaneous manufacturing	J	15,900
Wholesale trade	95,800	93,100
Motor vehicles, parts and supplies	18,600	19,100
Professional & commercial equipment & supplies	17,400	17,700
Electrical goods	17,900	16,300
Other durable goods	13,700	12,000
Petroleum and petroleum products	700	500
Other non-durable goods	27,600	27,600

**Table 6 (cont.) Affiliate Employment in California,
All Countries by NAICS-Based Industry of Affiliate,
1998 - 1999 (number of employees)**

Industry	1998r	1999p
Retail trade	44,900	50,000
Food and beverage stores	J	J
Other	J	K
Information	41,300	50,800
Publishing industries	14,000	17,000
Motion picture and sound recording industries	12,400	12,700
Broadcasting and telecommunications	11,600	17,200
Broadcasting, cable networks, program distribution	5,800	I
Telecommunications	5,800	J
Information services and data processing services	3,300	3,900
Finance (except depository institutions) and insurance	24,700	31,500
Finance, except depository institutions	4,900	5,300
Insurance carriers and related activities	19,700	26,200
Real estate and rental and leasing	7,200	7,800
Real estate	5,200	5,000
Rental and leasing (except real estate)	2,000	2,800
Professional, scientific and technical services	13,900	15,400
Architectural, engineering and related services	2,000	2,200
Computer systems design and related services	5,900	6,900
Management, scientific and technical consulting	300	500
Other	5,800	5,800
Other industries	154,800	166,000
Agriculture, forestry, fishing and hunting	2,000	2,100
Mining	4,400	3,800
Utilities	500	300
Construction	10,200	10,000
Transportation and warehousing	31,800	29,700
Management of companies and enterprises	600	100
Administration, support and waste management	42,500	53,900
Health care and social assistance	7,600	7,500
Accommodation and food service	43,600	48,500
Accommodation	23,900	22,500
Food services and drinking places	19,600	26,000
Miscellaneous services	11,500	9,900

Note: Size ranges are given in employment cells that are suppressed. The size ranges are:

A--1 to 499; F--500 to 999; G--1,000 to 2,499; H--2500 to 4999; I--5,000 to 9,999;

J--10,000 to 24,999; K--25,000 to 49,999; L--50,000 to 99,999; M--100,000 or more.